

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	Chapter 11
)	
TEHUM CARE SERVICES, INC.)	No. 23-90086 (CML)
)	
Debtor.)	Re: Doc. 1815

**TENNESSEE DEPARTMENT OF REVENUE’S
OBJECTION TO CONFIRMATION OF THE CHAPTER 11 PLAN**

The Tennessee Attorney General, on behalf of the Tennessee Department of Revenue (“Department”), respectfully submits this objection to confirmation of the Chapter 11 Plan. Currently, the Department has a priority tax claim of \$134,058.30, a general unsecured claim of \$8,249.62, and an administrative claim of \$132,749.59.

PRIORITY TAX CLAIMS

The Department objects that section II-E is inconsistent with 11 U.S.C. §§ 1129(a)(9)(C) and 511. (Doc. 1815-1, p. 25 of 65). Although the heading of the section says, “*Priority Tax Claims (Federal and State)*”, the language of the section repeatedly refers to “federal” governmental entities without any corresponding reference to “state” governmental entities. This language could be interpreted to exclude state governmental entities, such as the Department.

The Department suggests that section II-E be amended by adding the language “or state” immediately after the first reference to the word “federal” so that it reads “federal or state”. Also, the Department suggests that section II-E be amended by adding the language “and state” immediately after the second two references to the word “federal” so that they both read “federal and state”. Alternatively, Article II should include a new section II-F that includes the same language as section II-E, except that all references to “federal” should be changed to “state”.

POST-JUDGMENT INTEREST

The Department objects that section VIII-J is also inconsistent with 11 U.S.C. §§ 1129(a)(9)(C) and 511. (Doc. 1815-1, p. 51 of 65). This section disallows the payment of post-petition interest on claims. Although section II-E specifically provides for the payment of interest on “federal” priority tax claims, 11 U.S.C. §§ 1129(a)(9)(C) and 511 also require the payment of statutory interest on state priority tax claims, such as the claim of the Department.

The Department suggests again that section II-E be amended by adding the language “and state” immediately after the third reference to the word “federal” so that it reads “federal and state”. Alternatively, Article II should include a new section II-F that includes the same language as section II-E, except that all references to “federal” should be changed to “state”.

ADMINISTRATIVE CLAIMS

The Department objects that section II-A (Doc. 1815-1, p. 23 of 65) could be interpreted as being inconsistent with 11 U.S.C. § 503(b)(1)(D), which says, “[N]otwithstanding the requirements of subsection (a), a governmental unit shall not be required to file a request for the payment of an expense described in subparagraph (B) or (C), as a condition of its being an allowed administrative expense[.]”

The Department suggests that section II-A be amended by adding the following language: “A governmental unit shall not be required to file a request for the payment of an expense described in 11 U.S.C. § 503(b)(1)(B) or (C) as a condition of its being an allowed administrative expense.”

CONCLUSION

The Department respectfully asks this Court to deny confirmation of the Plan and to award any other relief to which the Department may be entitled.

Respectfully Submitted,

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Attorney General and Reporter

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CERTIFICATE OF SERVICE

I certify that on February 20, 2025, a true and exact copy of the foregoing was served upon all parties of record who receive notice electronically via the Court's CM/ECF system, and was served by electronic mail on the following:

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